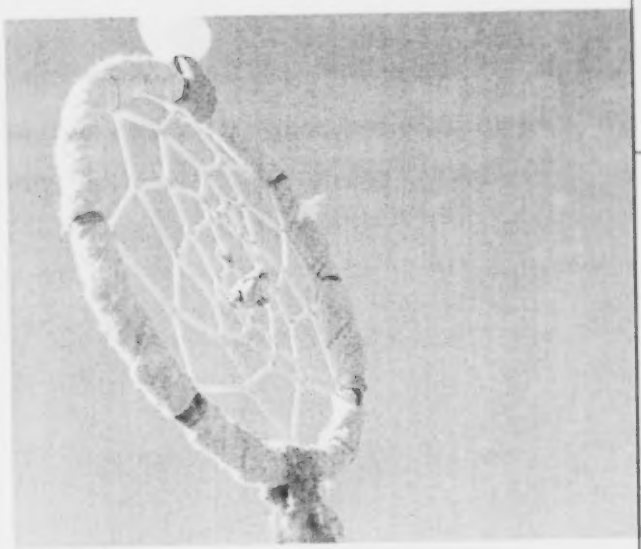

Working Towards Parity

Recommendations of the Aboriginal Human Capital Strategies Initiative

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BUILDING THE NEW WEST REPORT #24

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BUILDING THE NEW WEST

As part of the **Building the New West Project,** the Canada West Foundation has conducted the *Aboriginal Human Capital Strategies Initiative,* a one-year research study exploring the importance of Aboriginal people to helping meet western Canada's human capital needs. The objective of the research is to increase the availability and quality of information regarding labour market opportunities for western Canada's Aboriginal population, with an emphasis on positive, cooperative approaches that can be utilized to improve outcomes. *Working Towards Parity: Recommendations of the Aboriginal Human Capital Strategies Initiative* is the third and final report to be released under the *Aboriginal Human Capital Strategies Initiative.*

Ongoing advice for the project is provided by an Advisory Committee consisting of Paul Bercier (Metis National Council), Jim Carr (Business Council of Manitoba), Tara Gilbert (Aboriginal Community Career Employment Services Society, ACCESS), Wayne Helgason (Social Planning Council of Winnipeg), Roberta Hewson (Partners for Careers), Eric Howe (Department of Economics, University of Saskatchewan), Carlos James (Government of Manitoba), John Kozij (Human Resources and Development Canada), Gerry Kushlyk (Alberta Aboriginal and Northern Affairs), Kelly Lendsay (Aboriginal Human Resource Development Council of Canada), Allan MacDonald (Privy Council Office), Ray McKay (Kitsaki Management Ltd. Partnership), Bill McLaughlin (Northlands College), Lisa Nye (BC Community, Aboriginal and Women's Services), John Richards (Faculty of Business Administration, Simon Fraser University), Noel Starblanket (Assembly of First Nations), and Ian Taylor (Congress of Aboriginal Peoples). The views expressed in this document are not necessarily held in full or in part by the advisory committee members or the organizations they represent.

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Executive Summary

Aboriginal Canadians constitute an ever-increasing proportion of the Canadian labour force. Given that Canada is going to experience a labour market shortage in western Canada over coming years, it is in our best interests to ensure that Aboriginal Canadians possess the educational training and skills necessary to compete successfully in the job market. Incorporating Aboriginal Canadians within the labour market is one of western Canada's most important challenges.

Working Towards Parity is the third and final installment of Canada West's *Aboriginal Human Capital Strategies Initiative* (AHCSI), a one-year research initiative designed to communicate the importance of Aboriginal human capital to the western Canadian economy, to increase the availability and quality of information regarding the labour market realities facing Aboriginal Canadians in the West, and to identify successful strategies for improving Aboriginal labour market outcomes.

The following ten public policy recommendations that are presented in *Working Towards Parity* are based on the knowledge accumulated throughout the AHCSI:

1. Governments must identify Aboriginal human capital as a top priority, and communicate this message broadly
2. The federal and provincial governments need to work together on Aboriginal human capital policy
3. Governments should cooperate to set quantifiable on- and off-reserve Aboriginal education targets
4. Governments should require all primary and secondary schools to include Aboriginal content, and should provide all education staff with the training and tools to help ensure the success of Aboriginal students
5. The federal and provincial governments should coordinate K-12 education grading criteria to ensure all provincial residents holding a high school certificate (both on-reserve and off-reserve, Aboriginal and non-Aboriginal) satisfy provincial K-12 skill requirements
6. Provincial governments, the federal government, school boards and post-secondary institutions should coordinate and communicate human capital opportunities for Aboriginal students, and should evaluate Aboriginal post-secondary completion rates
7. Governments should cooperate to set quantifiable Aboriginal employment targets (both on- and off-reserve), and should gather sufficient data to assess short- and long-term progress
8. Governments should fund locally-based non-profit support and outreach services that focus on Aboriginal labour recruitment and retention issues for small- and medium-sized organizations
9. The federal and provincial governments should be open to training and employment partnerships with businesses working on or near reserves
10. The federal government should improve the availability of Aboriginal data

These policy recommendations are primarily directed at the federal and provincial governments – not because improving Aboriginal human capital outcomes is solely a government responsibility, but rather as a reflection of CWF's focus on public policy. Indeed, many parties including parents, relatives, community leaders, elders, businesses, unions, educators, school boards and the pubic at large have a role to play in improving Aboriginal human capital outcomes. Successfully working towards parity requires that Canadians – Aboriginal and non-Aboriginal alike – embrace the fact that this policy area affects us all.

I. Introduction

The importance of the Aboriginal population to the future of the western Canadian economy cannot be overstated. Aboriginal Canadians will constitute an increasing proportion of the regional labour force over the coming years and, given that many indicators forecast an upcoming labour shortage in western Canada, ensuring that Aboriginal Canadians possess the educational training and skills necessary to compete successfully in the labour force is one of western Canada's most important challenges.

Aboriginal "readiness" for the labour market is a particularly urgent policy area for at least two reasons. First, Aboriginal education and labour market outcomes are well below those of the non-Aboriginal population. In 2001, approximately 50% of the western Canadian Aboriginal population over 15 years of age, not attending school, possessed less than a high school diploma, and while western Aboriginal labour force participation rates rival those of the general population, unemployment rates are three times those of the non-Aboriginal population (Brunnen 2003a). Secondly, there is a great opportunity – indeed, a great need – to more fully engage Aboriginal people in addressing labour supply challenges. The number of people leaving the workforce is forecasted to exceed the number of people entering by as early as 2016 – less than one generation away. Consequently it is important to raise the awareness of Aboriginal education and employment issues within the public realm so that all western Canadians, Aboriginal and non-Aboriginal alike, are aware of the benefits inherent in ensuring that Aboriginal Canadians are provided every opportunity to attain the best possible human capital outcomes.

The primary rationale behind the Canada West Foundation's *Aboriginal Human Capital Strategies Initiative (AHCSI)* is to increase the awareness of Aboriginal human capital issues within Canadian society, and to devise strategies and policy recommendations geared towards improving education and labour market outcomes of Aboriginal people in Canada. Initiated in January 2003, the AHCSI has been a one-year, three-report research initiative conducted under Canada West's **Building the New West Project.** *Working Towards Parity* is the third and final installment of the AHCSI. Its objectives are twofold:

- To identify Aboriginal education and labour market trends in the West; and
- To identify steps governments should take to improve Aboriginal education and labour market outcomes.

The first report of this initiative, *Achieving Potential: Towards Improved Labour Market Outcomes for Aboriginal People*, outlined the current education and labour market realities facing Aboriginal adults in the economy, and identified seven promising practices geared towards improving outcomes of Aboriginal people in the current and short-term labour market (Brunnen 2003b). The second report, *Encouraging Success: Ensuring Aboriginal Youth Stay in School*, identified when Aboriginal youth are most likely to have withdrawn from education, discussed the implications for those who withdraw early, and identified five promising practices for encouraging Aboriginal youth to stay in school (Brunnen 2003a). *Working Towards Parity* takes these findings one step further and provides actionable policy recommendations to governments, who can then choose to transform them into measurable quality of life improvements for Aboriginal Canadians while securing a sustainable future for all western Canadians.

II. Methodology

The 1996 and 2001 Censuses are the primary data sources for addressing the education and labour market trends facing Aboriginal people in western Canada. The Census is the most accurate and comprehensive source of quantitative information available about the Aboriginal population of Canada. However, its limitations must be acknowledged: high Aboriginal mobility characteristics, variations in propensity to identify as Aboriginal, and changes in enumeration techniques must be taken into consideration when employing Census data to study trends in Aboriginal education and labour force outcomes. These factors may

mask actual improvements or declines over time, and instead reflect the discrepancies between the two sets of data. But it should also be noted that the Aboriginal Census collection techniques are becoming increasingly standardized, and consequently the 1996 and 2001 Censuses are likely to contain the fewest data collection discrepancies of all Censuses to date.

The Aboriginal identity population, which consists of those individuals who report identifying with at least one Aboriginal group (i.e., North American Indian, Métis and Inuit), is the measure used in all three *Aboriginal Human Capital Strategies Initiative* reports. (The Census also collects data on the Aboriginal origin population, defined as those individuals who report at least one Aboriginal ancestor to the ethnic origin Census question. Origin refers to the ethnic or cultural groups to which the respondent's ancestors belong. In 2001, the Aboriginal origin population was 1,319,890 people, while the 2001 Aboriginal identity population was 976,305 people.) Throughout the education and labour force trend analyses, unless otherwise specified, the data include individuals in all age groups, and comparisons are made between the Aboriginal and non-Aboriginal populations. In addition, data sources used in the first two reports of the AHCSI included only individuals *15 years and older who were not attending school at the time of the Census.* And by imposing this restriction the sample population excluded those individuals who voluntarily withdrew, or were not fully committed, to the labour force as a result of decisions to attend school at the time of the Census. (Selected Census population estimates are included in the appendix.)

The public opinion data summarized in this report are based on Canada West's *Looking West 2003* public opinion survey (Berdahl 2003). *Looking West* is a telephone survey commissioned by the Canada West Foundation that was administered between January 22 and February 18, 2003 by Western Opinion Research. A sample of 3,202 residents was interviewed in Manitoba, Saskatchewan, Alberta and British Columbia. A weighting factor based on provincial population sizes is applied to create a representative regional sample.

The promising practices summarized in this report are based on evidence from 25 key informant interviews conducted between March and June 2003 by the Canada West Foundation. Information from the interviews was supplemented by documents provided by interview subjects and other organizations, as well as a review of relevant literature. Interview subjects were chosen using the snowball method of non-probability sampling, and included government representatives, educators at primary, secondary and post-secondary institutions, representatives of private industry, Aboriginal awareness seminar providers, Aboriginal and non-Aboriginal service delivery organizations, and representatives of Aboriginal political organizations. These interviewees were asked to identify and discuss things – for example, policies, principles, committees, initiatives, agreements, guidelines, strategies, approaches, technologies, instructive resources, programs, and research – that seem to work for improving Aboriginal labour market and educational outcomes, and to explain why these things seem to work. In addition, information from the 109 interviews conducted between February and July 2002 for the report entitled *Uncommon Sense: Promising Practices in Urban Aboriginal Policy-Making and Programming* (Hanselmann 2002) was taken into consideration as a result of overlap between the two sets of information.

The data from the interviews and the literature were distilled to their common themes to identify ideas that work and that can be applied for Aboriginal people in the current and future labour markets – i.e., promising practices. They are derived from qualitative methods in order to take into account the experiences and expertise of individuals directly involved in Aboriginal labour market areas, and to ensure the inclusion of factors not captured in quantitative data.

The public policy recommendations presented in *Working Towards Parity* are based on the knowledge accumulated from the research of the one-year AHCSI. Although these policy recommendations are primarily intended for governments, improving Aboriginal human capital outcomes is not solely a government responsibility. Indeed, many parties including parents, relatives, community leaders, businesses, unions, educators, elders and the pubic at large have a role to play in improving Aboriginal human capital outcomes.

III. Education and Labour Market Trends Facing Aboriginal People in Western Canada

In recent years, policy-makers and government organizations have focused increasing amounts of resources and programs toward improving the quality of life of Aboriginal people in Canada. Some of the initiatives include increased data collection and dissemination, a greater identification and recognition of off-reserve, particularly urban, Aboriginal Canadians, and a focus on sustainable development and partnerships with communities. Directly connected to the quality of life of Aboriginal people in western Canada are improvements in Aboriginal education levels and labour market outcomes. These factors are positively linked to an individual's health status, economic independence, social conditions and general prosperity. Therefore, to provide an indication of whether the quality of life of Aboriginal Canadians has been improving over time, it is instructive to concentrate on how Aboriginal education and labour market outcomes have changed in recent years.

1. Education Trends

Educational attainment is closely linked to employment incomes, labour market outcomes and quality of life. It is thus critically important that Aboriginal Canadians utilize every available opportunity to obtain the education necessary to compete successfully in the labour force. Five-year trend analyses of Aboriginal education levels will provide insight into the extent to which Aboriginal education levels in the West are improving.

In the following analysis, educational outcomes are grouped into four categories: less than high school certificate; high school certificate; some post-secondary education (individuals who attended a post-secondary institution but did not earn a certificate, diploma, or degree); and post-secondary education with certificate, diploma and/or degree (includes trade, college, university and other post-secondary institutions).

i) K-12

Aboriginal K-12 levels in the West between 1996 and 2001 are marked by noticeable improvements. The proportion of Aboriginal Canadians possessing less than a high school certificate decreased from 55.0% to 49.4%, which is particularly noteworthy given that the non-Aboriginal population showed a decrease of only 3.3 percentage points. Although this is a very positive result, focusing on the Aboriginal population in aggregate hides a number of factors, the most substantial being location of residence. On-reserve, the decrease was only 3.5 percentage points (Figure 1), which is significantly less than the decrease off-reserve (6.1 percentage points) yet still higher than the non-Aboriginal reduction. At the high school certificate level, the proportion of on-reserve completions increased by 1.4 percentage points, higher than the increase off-reserve (1.2 percentage points) as well as that of the non-Aboriginal population, which actually slightly declined (-0.2 percentage points). While a considerable Aboriginal/non-Aboriginal education gap remains, the gap closed significantly at the K-12 level between 1996 and 2001. And while this is not the highest education level, these high school completion results point to large potential improvements in the future.

ii) Post-secondary

The proportion of western Aboriginal Canadians with a post-secondary certificate, diploma or degree increased from 20.4% in 1996 to 28.0% in 2001. By location, the data show a 4.8 percentage point increase on-reserve and an 8.8 percentage point increase off-reserve, and it is worth noting that there was also a decrease in the proportion of Aboriginal Canadians who had attended a post-secondary school but did not receive a certificate, diploma or degree.

But while Aboriginal improvements are evident both on- and off-reserve, the non-Aboriginal population has experienced a post-secondary completion increase of 9.2 percentage points, which is nearly double the on-reserve increase. Consequently, although

Figure 1: Education Attainment in the West (%)

	On-Reserve Aboriginal			Off-Reserve Aboriginal			Non-Aboriginal		
	1996	2001	Change	1996	2001	Change	1996	2001	Change
Less than High School	63.9	60.4	-3.5	51.1	45.0	-6.1	33.5	30.2	-3.3
High School Certificate	5.8	7.2	1.4	9.1	10.2	1.2	12.3	12.1	-0.2
Some Post-Secondary Education	13.2	10.6	-2.6	18.0	14.1	-3.9	18.1	12.4	-5.7
Post-Secondary Certificate and/or Diploma and/or Degree	17.1	21.8	4.8	21.8	30.7	8.8	36.1	45.2	9.2

Source: Derived by CWF from Statistics Canada

this time period is characterized by visible post-secondary improvements for all western Aboriginal Canadians, relative to the non-Aboriginal population the post-secondary completion gap actually increased. The gap increased by the widest margin on-reserve, which is not a surprising result as there are very few post-secondary education opportunities in reserve communities. Therefore, a sizable proportion of the on-/off-reserve education gap is likely attributable to issues of accessibility.

iii) Provincial Variations

Changes in Aboriginal education levels differ among the western provinces (Figure 2). In Alberta, Aboriginal residents showed the least improvement at the less than high school certificate level. On-reserve, the reduction in the proportion of people with less than a high school certificate was only 0.8 percentage points, while the proportion who graduated from a post-secondary institution increased only 2.9 percentage points – well shy of the western value (4.8 percentage points). Off-reserve, Alberta again showed the least improvement at the less than high school certificate (5.3 percentage point reduction) and the post-secondary completion levels (7.9 percentage point increase). However, it should be noted that, overall, Alberta's 2001 Aboriginal high school and post-secondary completion levels are very similar to the western values in aggregate.

In Saskatchewan, on-reserve residents showed the largest relative increase in post-secondary completions of all the western provinces (6.0 percentage points). Additionally, in Saskatchewan, Aboriginal residents off-reserve exhibited the largest decline in the proportion of students not completing high school (6.7 percentage points). As a result of these improvements, Saskatchewan's 2001 on- and off-reserve educational outcomes are now very close to the regional values.

Aboriginal residents in Manitoba and British Columbia living off-reserve showed the greatest relative increases in post-secondary completions (9.2 percentage points) – a particularly notable trend in Manitoba given that in both 1996 and 2001 Aboriginal residents in this province had the lowest post-secondary completions and the highest incidence of withdrawal before completing high school, relative to the western provinces. If these trends continue, Aboriginal residents in Manitoba will close the education gap with British Columbia – the province with the best Aboriginal education levels in both Census years.

What do these results indicate? Similar to the non-Aboriginal population, Aboriginal people in the West exhibited improved education levels in 2001 compared to 1996. Western Aboriginal K-12 education levels improved at a faster rate than the non-Aboriginal population, and high school completion rates improved by the largest margin on-reserve. However, Aboriginal improvement at the post-secondary completion level was consistently below that of the non-Aboriginal population, so much so that on-reserve changes were nearly half those of the non-Aboriginal population.

Figure 2: Education Attainment by Province (%)

British Columbia	On-Reserve Aboriginal			Off-Reserve Aboriginal			Non-Aboriginal		
	1996	2001	Change	1996	2001	Change	1996	2001	Change
Less than High School	55.1	50.5	-4.6	46.7	41.0	-5.7	30.5	27.4	-3.0
High School Certificate	8.8	10.2	1.4	10.5	11.5	1.0	13.0	12.6	-0.4
Some Post-Secondary Education	14.4	12.2	-2.3	18.6	14.2	-4.4	19.3	13.1	-6.2
Post-Secondary Certificate and/or Diploma and/or Degree	21.7	27.2	5.5	24.1	33.3	9.2	37.2	46.9	9.7

Alberta	On-Reserve Aboriginal			Off-Reserve Aboriginal			Non-Aboriginal		
	1996	2001	Change	1996	2001	Change	1996	2001	Change
Less than High School	61.1	60.3	-0.8	49.4	44.0	-5.3	32.8	29.8	-3.0
High School Certificate	3.9	5.5	1.7	8.5	10.2	1.7	12.0	11.9	-0.1
Some Post-Secondary Education	15.5	11.7	-3.8	19.2	14.9	-4.3	17.4	12.3	-5.1
Post-Secondary Certificate and/or Diploma and/or Degree	19.5	22.4	2.9	23.0	30.9	7.9	37.8	46.1	8.3

Saskatchewan	On-Reserve Aboriginal			Off-Reserve Aboriginal			Non-Aboriginal		
	1996	2001	Change	1996	2001	Change	1996	2001	Change
Less than High School	67.1	62.2	-4.9	54.2	47.5	-6.7	41.6	37.8	-3.8
High School Certificate	5.0	6.8	1.7	7.1	8.9	1.8	11.0	11.1	0.1
Some Post-Secondary Education	12.7	9.9	-2.8	18.9	14.8	-4.1	16.6	10.9	-5.7
Post-Secondary Certificate and/or Diploma and/or Degree	15.1	21.1	6.0	19.8	28.8	9.0	30.7	40.1	9.4

Manitoba	On-Reserve Aboriginal			Off-Reserve Aboriginal			Non-Aboriginal		
	1996	2001	Change	1996	2001	Change	1996	2001	Change
Less than High School	72.1	69.1	-3.0	56.3	49.6	-6.6	39.2	36.0	-3.3
High School Certificate	4.5	5.6	1.1	9.4	9.7	0.3	11.6	11.7	0.2
Some Post-Secondary Education	11.1	8.9	-2.2	15.0	12.2	-2.8	17.0	11.4	-5.6
Post-Secondary Certificate and/or Diploma and/or Degree	12.4	16.4	4.1	19.3	28.4	9.2	32.2	40.9	8.7

Source: Derived by CWF from Statistics Canada

2. Labour Force Trends

How have Aboriginal labour force outcomes changed over this time period? To answer this question the analysis focuses on labour force measurements such as employment rates, unemployment rates and participation rates in western Canada for both the Aboriginal and non-Aboriginal populations.

i) On-Reserve

A comparison of Aboriginal labour force outcomes in 1996 and 2001 is presented in Figure 3. Focusing on-reserve, the trends are not particularly encouraging. Specifically, the on-reserve participation rate slightly decreased between 1996 and 2001, and the unemployment rate slightly increased – both of which indicate the presence of declining labour force conditions on-reserve in the West. Additionally, over this same time period education levels on-reserve improved – a higher proportion of individuals graduated from high school and post-secondary institutions. These findings imply that education is not the sole determining factor for improving labour force outcomes; rather, additional variables such as economic and employment opportunities must also be taken into consideration.

ii) Off-Reserve

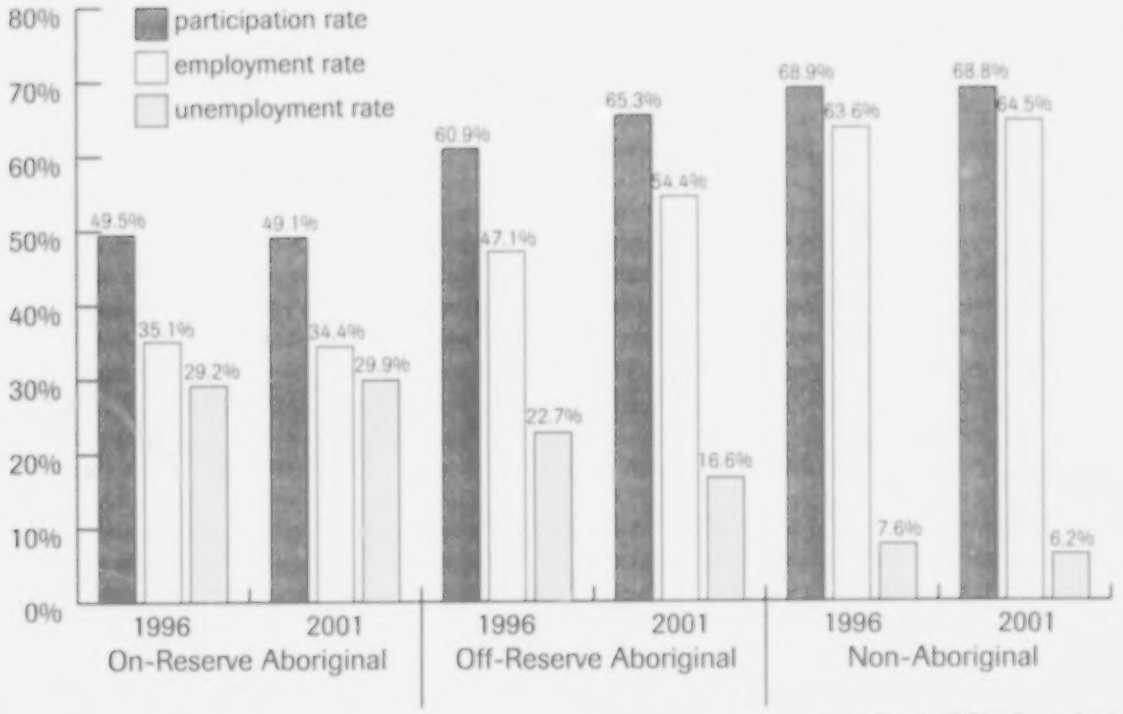
Fortunately, Aboriginal labour force outcomes off-reserve show sizable improvements. Between 1996 and 2001, the off-reserve participation rate in the West increased from 60.9% to 65.3%, and the unemployment rate decreased from 22.7% to 16.6%. These are substantial changes, and are likely attributable to improved education levels, combined with the increased economic opportunities that off-reserve locations (particularly urban centres) offer.

The participation rate:
The participation rate is defined as the number of individuals in the labour force (both employed and unemployed) divided by the population 15 years and older. The participation rate in general provides an indication of a group's affinity to participate in the labour force, and implies variations in individuals' propensities to attend school, retire or become homemakers. In addition, analysis of the participation rate may detect the presence of the "discouraged worker phenomenon" – the idea that an individual withdraws from the labour force after a long period of unsuccessful job searching.

The unemployment rate:
The unemployment rate is defined as the number of people unemployed divided by the number of people participating in the labour force (both employed and unemployed). The unemployment rate is useful in that it measures discrepancies only within the labour force; it excludes individuals who have chosen to opt out of the labour force, be it for retirement, child rearing, or for any other reason. In other words, one must be actively looking for work to be "unemployed."

The employment rate:
The employment rate is defined as the number of people employed divided by the population 15 years and older. In other words, the employment rate considers the full population 15 and older, including those participating in the labour force and those who, for whatever reason, are not participating in the labour force. It provides a useful indication of the labour force outcomes of a particular group, especially when compared to the participation rate. As the employment rate approaches the participation rate, the number of people who were unemployed but actively seeking employment declines.

Figure 3: Labour Force Outcomes in the West



Source: Derived by CWF from Statistics Canada

When compared to the non-Aboriginal population, which showed participation and unemployment rates decreasing by 0.1 percentage points and 1.4 percentage points respectively, the off-reserve Aboriginal population has made significant gains by narrowing both the participation and unemployment rate gaps. In fact, the off-reserve Aboriginal participation rate in 2001 was only 3.5 percentage points below the non-Aboriginal participation rate, and the unemployment rate gap closed by 4.7 percentage points. But while these are very positive results, a large unemployment rate gap remains. The non-Aboriginal unemployment rate was 6.2% in 2001, a stark contrast to the Aboriginal unemployment rate on-reserve (29.9%) and off-reserve (16.6%).

(iii) Provincial Variations

Similar to education levels, labour force outcomes vary within each of the western provinces (Figure 4). For instance, in Manitoba and Saskatchewan on-reserve participation rates increased by 0.6 percentage points and 0.9 percentage points respectively. Conversely, in Alberta and British Columbia, on-reserve participation rates declined by 2.9 percentage points and 0.3 percentage points respectively. Additionally, and with the exception of British Columbia, unemployment rates on-reserve were higher in 2001 in all of the provinces. Compared to the changes in the non-Aboriginal unemployment rates, these findings are rather discouraging.

Off-reserve provincial trends are more favourable. In all provinces, off-reserve Aboriginal participation rates have increased by a greater amount than the non-Aboriginal participation rates – narrowing the participation rate gap. And in particular, off-reserve Aboriginal residents in Manitoba experienced a participation rate increase of 6.7 percentage points – the largest increase out of any province.

Figure 4: Participation Rate and Unemployment Rate

Participation Rate (%)	On-Reserve Aboriginal			Off-Reserve Aboriginal			Non-Aboriginal		
	1996	2001	Change	1996	2001	Change	1996	2001	Change
Manitoba	45.8	46.4	0.6	58.4	65.1	6.7	67.6	68.4	0.8
Saskatchewan	42.6	43.5	0.9	55.1	60.5	5.4	68.9	68.4	-0.5
Alberta	49.1	46.2	-2.9	64.8	69.3	4.5	72.8	73.5	0.7
British Columbia	58.8	58.5	-0.3	63.2	64.6	1.4	66.5	65.3	-1.2

Unemployment Rate (%)	On-Reserve Aboriginal			Off-Reserve Aboriginal			Non-Aboriginal		
	1996	2001	Change	1996	2001	Change	1996	2001	Change
Manitoba	30.0	30.4	0.4	23.6	15.1	-8.5	6.4	4.7	-1.7
Saskatchewan	29.4	33.0	3.6	24.7	19.1	-5.6	5.9	4.7	-1.2
Alberta	27.5	27.6	0.1	19.7	12.5	-7.2	6.8	4.8	-2.0
British Columbia	29.4	28.9	-0.5	23.8	20.4	-3.4	9.1	8.0	-1.1

Source: Derived by CWF from Statistics Canada

Unemployment rates off-reserve have improved as well. In each province, the reductions in unemployment rates were at least twice those of the non-Aboriginal population, and once again the province of Manitoba commands particular attention, exhibiting an impressive 8.5 percentage point reduction. Of course, these results should not take away from the fact that Aboriginal and non-Aboriginal unemployment rates are far from equal; indeed, labour force disparities continue to exist. However, these results do show that Aboriginal Canadians off-reserve are closing the labour force gaps over time.

What do these findings reveal about Aboriginal labour force trends in the West? Labour force conditions off-reserve are marked by noticeable improvement, but on-reserve outcomes are characterized by stagnation and in some cases decline. Given that these changes occurred at a time when education levels improved (both on- and off-reserve), it is likely that on-reserve locations simply cannot offer the same labour force opportunities as off-reserve locations.

3. Median Income Trends

It has long been documented that Aboriginal employment incomes are well below those of the non-Aboriginal population. A comparison of median incomes in 1996 and 2001 can serve as a means to measure the extent of the disparity, and how it has changed over time. The median income is defined as the income level at which half of the sample population lies above this value and half lies below. It provides a useful indication of the distribution of income among a particular group.

i) On-Reserve

The median incomes of all western Canadians increased between 1996 and 2001 (Figure 5). However, on-reserve in each of the western provinces, Aboriginal Canadians experienced an increase below that of all other westerners, indicating that the on-reserve income gap actually increased over time. This was especially evident in Alberta, where on-reserve median incomes increased by only $946, compared to $3,665 among non-Aboriginal Albertans. This is a curious result since non-Aboriginal Albertans experienced the largest median income increase of all westerners between 1996 and 2001.

Figure 5: Median Income ($)

	On-Reserve Aboriginal			Off-Reserve Aboriginal			Non-Aboriginal		
	1996	2001	Change	1996	2001	Change	1996	2001	Change
Manitoba	6,827	8,965	2,138	11,004	14,505	3,501	18,217	21,634	3,417
Saskatchewan	6,181	7,808	1,627	9,993	13,195	3,202	17,733	20,653	2,920
Alberta	7,210	8,156	946	11,799	15,139	3,340	19,985	23,650	3,665
British Columbia	10,046	11,609	1,563	12,227	14,369	2,142	20,134	22,535	2,401

Source: Derived by CWF from Statistics Canada

ii) Off-Reserve

More positively, Aboriginal residents off-reserve in both Manitoba and Saskatchewan posted gains that were greater than those of the non-Aboriginal population, consequently narrowing the income gap off-reserve in these provinces. Unfortunately, the same results do not apply to Alberta and British Columbia, where the income gap actually slightly increased. This is a clear indication that although Aboriginal labour force outcomes off-reserve may be improving over time, median income levels are not necessarily following suit.

iii) Demographic influences

Demographic influences must be considered when performing median income analyses. The Aboriginal population is younger than the non-Aboriginal population, and as such is less likely to be earning the same high incomes as the non-Aboriginal population. This is because younger people are more likely to seek only jobs rather than careers when they first enter the labour force, and consequently will earn lower wages. As well, a younger population has a higher proportion of individuals in the early stages of their careers, and these individuals will therefore not earn the same high incomes as an older, more experienced labour force.

Demographic variations may also influence participation rates. The reason for this is that the participation rate includes individuals over 65 who are likely to be retiring/retired from the workforce. Given that the non-Aboriginal population is older than the Aboriginal population, a higher proportion of non-Aboriginal people are retired or entering retirement, which reduces the non-Aboriginal participation rate. Conversely as the younger Aboriginal population ages, more young Aboriginal Canadians are entering the labour force, increasing the Aboriginal participation rate.

IV. Summary of the Key Findings of the Aboriginal Human Capital Strategies Initiative

Working Towards Parity has outlined Aboriginal education and labour market trends, and will identify public policy recommendations for improving the education and labour market outcomes of Aboriginal Canadians. But prior to presenting the Canada West Foundation's recommendations, it is constructive to summarize the key findings of the *Aboriginal Human Capital Strategies Initiative*, as these are the foundation on which the recommendations are made. (Information on the data sources for these findings can be found in the methodology section.)

Population

- The Aboriginal population is younger than the non-Aboriginal population, with over one in three Aboriginal Canadians being less than 15 years of age.
- For the West as a whole, more than 1 in 10 persons under 15 years of age identifies as Aboriginal, a sizable contrast to that of Canada as a whole, where just over one of every 20 persons under 15 years of age identifies as Aboriginal.
- As a consequence of its relative youth, the Aboriginal population will constitute an increasing percentage of western Canada's total labour force in the future.

Educational attainment

- Nearly 50% of the Aboriginal population in Canada possesses less than a high school diploma, compared to approximately 30% for the general population.
- In both the West and Canada as a whole, Aboriginal students are most likely to have withdrawn from education between grades 9 and 10. Western Aboriginal individuals are less likely than Aboriginal individuals outside the West to have attended post-secondary institutions.
- Educational attainments for on-reserve residents are consistently lower than those for off-reserve residents in all age cohorts. More than twice as many Aboriginal people living on-reserve have left school before grade nine compared to Aboriginal people living off-reserve.
- Age cohort distinctions are particularly acute among Aboriginal youth 17-19 not attending school: nearly 75% of this group has less than a high school diploma, which is a significant majority of the high school completion cohort.
- While an individual's location of residence has a larger impact on educational outcomes than the Aboriginal group with which one identifies, the Métis response group is the Aboriginal identity group most likely to have earned a high school certificate or a post-secondary diploma or degree.

Education trends

- The 1996 – 2001 time period is marked by visible improvements in Aboriginal education and employment income levels, but relative to the general population, education gaps have not necessarily closed.
- The Aboriginal/non-Aboriginal education gap diminished at the less than high school completion level (most notably on-reserve), but at the post-secondary completion level the gap actually increased (again, most notably on-reserve).
- Aboriginal residents in both Manitoba and Saskatchewan exhibited the largest educational improvements between 1996 and 2001. At the less than high school completion level Aboriginal residents in Alberta showed the least improvement.
- Overall, Aboriginal residents in British Columbia had best outcomes in both census years – having the lowest proportion of the people with less than a high school certificate, and the highest proportion with a post-secondary attainment.

Labour force outcomes

- Western Canadians, Aboriginal and non-Aboriginal alike, who have less than a high school diploma are the least likely to participate in the labour force, and those who do participate are also the most likely to be unemployed. This is an important finding given that nearly 50% of the Aboriginal population in the West does not possess a high school graduation certificate.
- Aboriginal individuals in the West with at least a high school certificate are participating in the labour force to a greater extent than the general population. But despite similar labour force participation rates the Aboriginal unemployment rate is more than three times that of the general population. In other words, the labour market challenges facing Aboriginal Canadians do not stem from an unwillingness to participate in the labour market, but rather from a lack of success in securing and retaining employment.
- Employment disparities diminish as Aboriginal Canadians earn subsequently higher certificates, diplomas and degrees. At the university degree level in Alberta, the advantage actually favours the Aboriginal population.
- For each education level, residents on-reserve exhibit lower participation rates and higher unemployment rates than residents off-reserve, with the exception of the university degree level, where labour force outcomes are nearly equal for on- and off-reserve Aboriginal people.

Labour force trends

- On-reserve, Aboriginal participation rates increased slightly in Manitoba and Saskatchewan, and decreased slightly in Alberta and British Columbia (as well as in the West as a whole). With the exception of British Columbia, unemployment rates on-reserve increased - indicating a general decline in labour force outcomes for on-reserve residents in the West.

- Off-reserve in each western province, the Aboriginal/non-Aboriginal unemployment and participation rate gaps narrowed over time. In particular, off-reserve Aboriginal residents in Manitoba experienced a participation rate increase of 6.7 percentage points – the highest improvement in any province.
- Labour force gaps in the West remain significant. The non-Aboriginal unemployment rate was 6.2% in 2001, a value much lower than both the on- and off-reserve Aboriginal unemployment rates of 29.9% and 16.6% respectively.

Employment income

- Regardless of location of residence, Aboriginal income levels consistently improved with higher education levels. In 2001, Aboriginal individuals with less than a high school graduation certificate were most likely to earn under $10,000, while individuals with a university degree were most likely to earn over $40,000.
- For each education level there is a sizable location income gap. In 2001, the median income range for on-reserve residents with a high school certificate, trades certificate or college diploma was $10,000-$19,999, but for residents in urban areas the median income range for these education categories increased to $20,000-$29,999.
- On-reserve tax exemption benefits may have reduced the on-reserve/urban employment income disparity, although likely not enough to account for the entire income gap.

Income trends

- On-reserve in each western province, the Aboriginal/non-Aboriginal employment income gap increased between 1996 and 2001. The employment income gap is largest in Alberta, and smallest in British Columbia.
- Off-reserve, the income gap narrowed in both Manitoba and Saskatchewan, but in Alberta and British Columbia the income gap increased.
- Although demographic and educational differences may explain some of the median income and employment differences in the West, these variables are likely not significant enough to account for the entire income gap.

Private returns to education

- The private returns to education for on-reserve and urban Aboriginal residents improve as individuals earn subsequently higher certificates, diplomas or degrees.
- The potential private returns are the highest at the university degree level. Aboriginal individuals with a university degree in urban areas and on-reserve are respectively 2.5 and 1.3 times more likely to earn over $50,000 than earn under $10,000.
- The private returns to education do not extend equally to all locations. In fact, the probability of earning over $50,000 in urban locations is often double that of on-reserve locations.
- Comparing the total private returns of urban Aboriginal residents to Aboriginal on-reserve residents, it becomes apparent that with the exception of the university categories, urban private returns are at least 1.5 times greater than on-reserve returns.

Public opinion

- Over 75% of western Canadians place "increasing Aboriginal employment levels" as a high or medium government priority, and most respondents cite "not enough education and training" as the reason for low Aboriginal employment levels.
- When asked about the first priority of governments to increase Aboriginal employment levels, respondents are nearly evenly split between the choices: "increase education and training" and "create positive incentives to get off welfare."
- Highly educated respondents are the most likely to have positive attitudes toward improving Aboriginal opportunities - an important variation to note, since many political, business and community leaders, who are in the positions to create such opportunities, have university degrees.

Summary of promising practices

Fundamental to the promising practices identified throughout the *Aboriginal Human Capital Strategies Initiative* is the notion that while they are specifically targeted to enhancing the employment and educational attainments of Aboriginal Canadians, they could also be used to enhance the employment and educational attainments of non-Aboriginal Canadians. Indeed, many of these ideas and strategies are relevant to all human resource and development departments within the Canadian economy.

Evaluate goals, focusing on both individual and holistic outcomes – Discussing the needs and goals of all of the parties involved creates positive results. Identifying the career and educational aspirations of Aboriginal youth helps establish a connection between current educational decisions and future career outcomes. As well, providing a medium for Aboriginal student, community and family response in program design and evaluation allows for the opportunity to improve delivery. It is also important to seek and obtain feedback from business communities and government organizations.

Facilitate the dissemination of information – There is a need for all parties to exchange information regarding career and education programs and opportunities. It is important to listen to individuals directly involved in the service delivery sectors, and to ensure the availability of communication infrastructure. Additionally, the absence of measurable improvements may not necessarily be associated with unsuccessful initiatives. Self-esteem, community rapport and life skills improvements are difficult to measure, but may be as valuable as quantifiable results.

Reinforce the value of education – Focus on incentives. Think about what it is that motivates specific individuals to attend school. The long run opportunity cost of foregoing educational attainments is often discounted in the present. Current employment income and financial support systems may reduce individuals' incentives to attend school.

Consider social conditions – The "network of circumstances" surrounding an individual outside the workplace influences how s/he behaves within the workplace. Some circumstances, however, are more applicable to Aboriginal individuals than to non-Aboriginal individuals. For instance, Aboriginal individuals generally have poorer health status, are more likely to come from a single parent family, and are more likely to have experienced domestic violence than non-Aboriginal individuals. As well, Aboriginal people are disproportionately over represented in homeless shelters and in the criminal justice system – both as victims and offenders (Hanselmann 2001). Other factors include over-crowded living quarters, high migration rates, life skills deficiencies and access to support services. In addition, the transition from living on reserve to off-reserve may be similar to that of emigrating from another country.

Display patience and understanding – A lack of understanding between Aboriginal and non-Aboriginal individuals acts as a hindrance to successful Aboriginal employment outcomes, and can lead to high Aboriginal employee turnover. A frequently cited factor regarding workplace conditions has to do with the comfort level of employees. Aboriginal people can feel very alienated as a result of educational facilities and workplace environments that do not acknowledge the value systems and cultural heritage of Aboriginal people.

Build confidence, promote inclusion – Respondents mentioned that an inability to identify one's contribution or role influences the labour market outcomes of Aboriginal people. A topic that was often discussed was the concept of role modeling. Various mentoring programs within the workplace and in post-secondary institutions result in positive labour market outcomes. In addition, it is important to be aware of the role of identity. "One's identity influences how one performs; it may be derived over time from successes, positive experiences and from recognition by others … people without success do not have identity."

Recognize, reward and celebrate successes – For all individuals, celebrating successes and achievements recognizes commitment and contribution, and reinforces identity and belonging. Celebrating graduations, promotions and personal achievements through

communication to family members, elders and youth illustrates the payoffs and satisfaction associated with hard work and perseverance. In the words of one respondent, "When an individual recounts their positive progress to the community, they not only inspire others, but they renew in themselves their commitment to their goals."

Focus on incentive structures and market effectively – It is important to focus on the motivations of all individuals when devising initiatives geared towards improving educational outcomes. Although community and family views of education play a role in Aboriginal youths' educational decisions, Aboriginal students are influenced by their own perceptions as well. Concepts such as open door policies, small class groupings, peer groups and a friendly learning environment are just a few successful means for promoting positive outcomes. Initiatives involving partnerships must speak to the incentives of the business community as well.

Take coordinated approaches – Coordinated approaches add value by balancing potential labour resources with business and development opportunities. Collaborative partnerships between private industry, government organizations, educators and Aboriginal communities take advantage of the experiences of individuals directly involved, and establish and nurture trust relationships.

Concentrate on incremental progress – In the words of one respondent, "you cannot change everything all at once; choose your battles, and fight them well." It is imperative that educational service providers ensure that they are not overwhelming students when developing course requirements, given that some students' home lives are not conducive to studying. If there is one underlying reality of Aboriginal programming, it is the notion that no two individuals, communities, programs, institutions or organizations are identical. Circumstances vary; what works in some situations may not necessarily work in others. Programs need to be able to adapt to unforeseen circumstances.

Maximize returns and support sustainable outcomes – Education and career training programs must be balanced with available opportunities – especially within on-reserve and rural communities. Transferable skills development provides Aboriginal students with the ability to adjust to circumstances in the event that employment opportunities change.

V. What steps should governments take to improve Aboriginal education and labour market outcomes?

Ensuring that Aboriginal Canadians possess the education, training and skills necessary to participate fully in the economy is one of western Canada's most important challenges, and one that should not be taken lightly. The following ten policy recommendations are based on the research and major findings of the one-year *Aboriginal Human Capital Strategies Initiative*.

These recommendations should not be seen as a "cure-all;" the issues surrounding Aboriginal education and labour market outcomes are much too complex to be addressed so simply. However, the Canada West Foundation believes that the ten policy recommendations below will contribute to positive change in Aboriginal human capital outcomes.

It should be noted that in some cases, governments have already taken steps in the directions suggested. In these instances, the recommendations act as a reinforcement and an encouragement for expanded action rather than a criticism or a suggestion of inaction.

1. Governments must identify Aboriginal human capital as a top priority, and communicate this message broadly

There are numerous Aboriginal policy issues that governments must address, and the complexity of these issues cannot be overstated. Of these many issues, improving education and labour market outcomes should be a top Aboriginal policy priority - and a top policy priority generally - for federal and provincial governments alike.

Human capital outcomes should be a top Aboriginal policy priority due to the considerable benefits that can be accessed by Aboriginal Canadians: the higher incomes and employment rates associated with high education levels lead to quality of life improvements such as decreased poverty levels, improved health outcomes, and improved housing situations, among others. In addition, human capital is a pan-Aboriginal (and pan-Canadian) issue; while questions of treaty rights, land claims and status often play out differently for different parts of the Aboriginal population, education and labour market outcomes are of importance to the broader Aboriginal community. All Canadians, regardless of status or identity, deserve enhanced quality of life opportunities, and education is a key factor to achieving this end. Thus, it is recommended that federal and provincial governments consider Aboriginal human capital issues to be a top priority.

However, it would be a mistake for governments to treat Aboriginal human capital as simply an Aboriginal policy priority: it must be a top government priority, period, in a similar way that quality health care, balanced budgets and strong economies are top government priorities. The reason is that improving Aboriginal labour market outcomes will benefit the long-run economic well being of the individual provinces and of Canada as a whole through external benefits such as an increased tax base, a reduction in the demand for social services, and higher productivity levels - and failing to improve Aboriginal labour market outcomes represents a significant lost opportunity.

This argument applies with particular force in western Canada where the Aboriginal population is concentrated. Due to declining birth rates, population aging and retirement patterns, western Canadian businesses and industries are forecasting skilled labour shortages in the years and decades ahead. There is great potential for Aboriginal individuals in developing the skills necessary to help address these shortages. "Aboriginal people represent the largest untapped labour force in Canada," one interview respondent argued, "and thus it makes good economic sense to engage the Aboriginal population."

Simply put, the federal government, western Canadian provincial governments, businesses, communities, Aboriginal leaders, parents and the public at large share a common interest in ensuring that Aboriginal Canadians acquire the education, training and skills necessary to participate successfully in the western Canadian labour market. For this reason, in addition to identifying Aboriginal human capital as a top priority, governments should communicate the importance of Aboriginal human capital broadly. If governments are to have the political support they need to strengthen Aboriginal human capital, their electorates must be convinced that *all* western Canadians - indeed all Canadians - have a common interest and stake in this objective.

2. The federal and provincial governments need to work together on Aboriginal human capital policy

The federal and provincial governments need to cooperate, coordinate and communicate their efforts in Aboriginal human capital policy and programming. There are two advantages to doing so. The first is improved services to Aboriginal clients through a heightened awareness of the education and skill levels of mobile individuals. Aboriginal human capital programming is largely ad hoc in nature - successful programs take into account the individual, the family and the community. This requires specific programming that, if not cohesively delivered, will likely result in disjointed services over the long-term and possibly a higher incidence of premature withdrawal. The second advantage is decreased costs. Governmental cooperation and coordination reduces unnecessary program duplication in human capital service delivery, resulting in a more efficient allocation of financial and human resources. If federal and provincial governments work together on Aboriginal education and labour market issues, both

orders of government will contribute toward funding needed programs and projects. This is especially advantageous as many successful projects to date involve federal-provincial cooperation.

A potential vehicle for inter-governmental cooperation is the new Council of the Federation, where the premiers of the thirteen provinces and territories are to meet at least twice a year with the objective of improving federal-provincial relations. The Council of the Federation provides a unique opportunity for the premiers to identify and agree upon provincial contributions to Aboriginal human capital programs and services, and then communicate their agreements to the federal government.

3. Governments should cooperate to set quantifiable on- and off-reserve Aboriginal education targets

In *Shared Responsibility: Final Report and Recommendations of the Urban Aboriginal Initiative* (Hanselmann 2003), the Canada West Foundation recommends that governments "set goals and evaluate their efforts." This recommendation is as applicable to Aboriginal human capital policy as it is to urban Aboriginal policy.

There is no shortage of good will and positive statements regarding improving labour market outcomes for Aboriginal Canadians. However, for Aboriginal Canadians and the western Canadian economy to benefit from such sentiments, governments need to commit to measurable improvement in Aboriginal labour market outcomes. Without a focus on outcomes, there is a risk that governments and citizens will confuse effort and activity with real progress and improvement. While it is useful to know the number of programs available, the number of participants, and the total monies spent, changes in these data should not be confused with achieving the larger societal goal. The goal is not to have more programs, more clients or more spending; the goal is to have measurable improvements in labour market outcomes, and, by extension, in the quality of life for Aboriginal Canadians. As Hanselmann (2003) writes, "the intent should be empowering people to improve their lives rather than amassing impressive-sounding but ineffective efforts."

To achieve this end, governments need to coordinate their efforts and cooperate in data collection techniques. It is impossible to separate the influence of reserve communities on provincial economies, and vice versa – for it is clear that reserve communities and provincial economies are intrinsically connected. It follows that setting jurisdictionally constrained Aboriginal education and labour targets omits key variables and relationships that can only be captured through holistic data collection techniques (i.e., enumeration of both on- and off-reserve areas).

There are at least four advantages to setting clear, quantifiable targets and to evaluating progress in reaching these targets:

- Focus is placed on overall long-term results, rather than on short-term activities;
- Regular tracking of outcome data allows for continual refining and improvement in Aboriginal policies and programming. If a particular initiative is failing to have the desired impact over time, governments have the opportunity to investigate how the program could be improved;
- Aboriginal people and the general public have greater ability to hold policy-makers accountable. It is difficult for citizens to hold governments accountable for vague statements or general intentions; it is much easier for citizens to hold governments accountable for a commitment to create a measurable change in a specified time period – particularly if the measures include publicly available data; and
- Quantifiable targets provide an opportunity to hold *all* parties accountable who have a role to play in Aboriginal human capital issues such as school boards, educators, Aboriginal leaders, post-secondary institutions, parents and elders.

Setting measurable, time-specific targets for educational outcomes helps governments to reinforce the value of education, and to emphasize the connection between educational attainments and positive employment outcomes and quality of life. An example of a measurable, time-specific target can be found in the Alberta Aboriginal Policy Initiative: "By 2010, the percentage of Aboriginal learners 15 years of age or older with high school completion will be 60% and 30% with post-secondary completion." This is not to suggest that qualitative outcomes – such as improved individual self-esteem, higher community rapport, and life skills development – are not of value. Indeed, governments should aim to improve both quantitative and qualitative outcomes of Aboriginal Canadians.

The challenge for governments is to set goals (improvements and timeframes) that are realistic, yet at the same time demonstrate measurable progress. Governments should cooperate to set both short- and long-term targets, publicly report progress (or lack thereof) at regular intervals, and (where possible) evaluate and improve programs based on the outcome data.

4. Governments should require all primary and secondary schools to include Aboriginal content, and should provide all education staff with the training and tools to help ensure the success of Aboriginal students

A recurring challenge for Aboriginal Canadians entering the workforce is the cultural divide: a lack of understanding between Aboriginal and non-Aboriginal individuals is an important hindrance for successful employment outcomes of Aboriginal individuals. In some instances, Aboriginal individuals will be entering a workplace in which they are the only Aboriginal person, or one of only a small number. This means that the vast majority of their co-workers may not have an understanding of the unique histories, value systems, upbringings and cultures that influence the Aboriginal employees' perspectives. This lack of understanding has been suggested as a contributing factor to the high turnover rate of Aboriginal employees (Brunnen 2003b).

The future generation of co-workers, bosses and union leaders needs a better awareness of Aboriginal history and culture, and a greater sensitivity to the challenges facing Aboriginal Canadians. To facilitate this, it is necessary that all primary and secondary educational programs in western Canada – be they on- or off-reserve, inclusive or exclusive of Aboriginal students – include Aboriginal content. An additional benefit of this recommendation, particularly for off-reserve educational programs, is that it may also increase student sensitivity to Aboriginal issues, thus creating a more positive, welcoming environment for Aboriginal students.

All of the education ministries in the western provinces are pursuing some form of Aboriginal K-12 initiative. The Ministry of Education in British Columbia, for instance, has developed Aboriginal Education Enhancement Agreements, which are partnership arrangements between communities and school districts designed to improve the educational outcomes of local Aboriginal students by including Aboriginal content in the core curriculum: "Fundamental to the EA is the requirement that school districts provide strong programs on the culture of local Aboriginal peoples on whose traditional territories the districts are located." The BC Ministry of Education complements these programs by collecting and comparing annual performance data on Aboriginal students in BC public schools.

In addition to including Aboriginal content, it is critical that all education staff have access to the tools and training necessary to help ensure the success of Aboriginal students. This may include Aboriginal awareness handbooks, online information and training programs.

5. The federal and provincial governments should coordinate K-12 education grading criteria to ensure all provincial residents holding a high school certificate (both on-reserve and off-reserve, Aboriginal and non-Aboriginal) satisfy provincial K-12 skill requirements

There is a considerable on- and off-reserve education gap, and many interview respondents report that on-reserve students have a great need for improved skill sets. Coordination between federal and provincial governments on K-12 grading criteria is important to ensure that all provincial residents who possess a high school certificate satisfy provincial K-12 skill requirements.

The reason for this is simple: reserve residents possessing high school certificates based on K-12 standards set below those of the local provincial government are generally disadvantaged when compared to the provincial population at large. Entrance requirements at the post-secondary level are based upon provincial K-12 grading criteria, and differential K-12 standards will negatively impact the students' ability to succeed at the post-secondary level, as well as hinder the post-secondary educators' ability to diagnose skill deficiencies. Additionally, these individuals will likely be at a disadvantage in the workforce.

Governments should cooperate to implement province-wide high school standardized testing, and evaluate both on- and off-reserve standardized test scores in comparison to general population test scores. (Ideally, provinces would coordinate to some degree on their standardized testing to allow for more reliable national education data.) Standardized test results, used in conjunction with high school completion rates, will enable policy-makers to better assess the educational improvements by cancelling out the effects of differential grading criteria. Standardized testing could be particularly useful for First Nations education authorities, which need hard data to determine program effectiveness and accountability within their communities.

Federal/provincial cooperation in this area would further aid in identifying and communicating other Aboriginal educational deficiencies or needs, which would better equip the provinces to provide social services to Aboriginal clients. Areas of skill deficiencies identified by interview respondents included transferable skills such as communication, interpersonal, critical thinking and, in some instances, life skills. Therefore, where not already in place, the federal and provincial governments should coordinate their K-12 grading criteria to ensure that these skill areas are in fact being assessed and, where necessary, improved upon.

6. Provincial governments, the federal government, school boards and post-secondary institutions should coordinate and communicate human capital opportunities for Aboriginal students, and should evaluate Aboriginal post-secondary completion rates

One interview respondent summarized the issue clearly: "No one exposes Aboriginal students to the careers that they want, or those that might want them, prior to leaving school." To address this need, Aboriginal student offices and friendship centres at post-secondary institutions should coordinate with K-12 career development officers both on- and off- reserve to promote opportunities available to Aboriginal students. Specifically, career development officers at K-12 schools must be capable of working individually with the students, their families and with post-secondary institutions to identify career and educational opportunities. Beginning in elementary school, students should be exposed to mentors in the workplace and at post-secondary institutions. In this way, Aboriginal students will know what types of programs exist, where they exist, how they are accessed, and what the entrance requirements are, well before entering grade nine (when Aboriginal students are most likely to have withdrawn from school). These initiatives may involve efforts by the federal government, the provincial governments, respective school boards and community leaders, depending upon jurisdiction and the location of the school.

Additionally, governments, in cooperation with post-secondary institutions, should help facilitate the collection of data necessary to evaluate the completion rates of Aboriginal students in specific post-secondary institutions. These data could then be used to

identify practices that could be emulated in other institutions, to acknowledge and celebrate successes, and to design incentive programs for post-secondary institutions to improve the completion rates of their Aboriginal students. Some western provinces are already working on post-secondary Aboriginal data collection initiatives.

7. Governments should cooperate to set quantifiable Aboriginal employment targets (both on- and off-reserve), and should gather sufficient data to assess short- and long-term progress

While the uninformed may mistakenly think that poorer labour market outcomes of Aboriginal people reflect an "unwillingness to work," this idea is not borne out by the data. In western Canada, the labour market participation rates of Aboriginal people over 15 not attending school are very similar to those of the general population (Brunnen 2003b), and for Aboriginal people with a high school diploma or greater, Aboriginal participation rates are equal to or greater than those of the general population (Brunnen 2003a).

Instead, the significant labour market inequalities are found in unemployment rates: while unemployment rates in the four western provinces were between 5 and 8% for the general population, for Aboriginal people unemployment rates jumped to 15-23%. Given that employment has significant implications for quality of life of Aboriginal people, it is important that federal and provincial governments set measurable, time-specific goals.

Governments may choose to focus on unemployment rates and participation rates, and/or on employment rates. The advantage of the unemployment rate is that it measures the success of individuals who are actively participating within the labour force, and it excludes those who have opted out for such things as child rearing, school attendance or retirement. The disadvantage of the unemployment rate is that it fails to capture those individuals who have opted out of the labour force after a long period of unsuccessful job searching (i.e., discouraged workers). However, this is avoided by focusing on the participation rate in conjunction with the unemployment rate. The advantage of the employment rate is that it captures the incidence of the discouraged worker phenomenon in addition to the number of individuals who are unemployed. The disadvantage of the employment rate, however, is that it blurs the distinction between these two measurements. Therefore, at a minimum governments who wish to measure and improve labour force outcomes should select as a means of measurement the unemployment rate combined with the participation rate, and/or the employment rate, or all three measurements depending upon the governments' specific policy goals.

Regardless of which measures are chosen, governments should select targets on a relative (rather than absolute) basis to accommodate changes in the economy. An example of this is the Alberta Aboriginal Policy Initiative, whose target is summarized in a clear, concise statement: "By 2010, the difference in employment rates of Aboriginal Albertans and other Albertans will be less than 10 percentage points."

In addition to setting targets, governments must gather sufficient data to assess their progress over the short-term, and should communicate these data to the public. Currently, national Aboriginal labour market data are available only every five years through the Census. It would be useful to governments and the public to have more regularly available data. For example, the Government of Alberta commissioned Statistics Canada to create the Aboriginal Labour Force Survey, which is a pilot project that presents three-month moving averages for Aboriginal people living off-reserve in Alberta. Such regularly available data allow for increased responsiveness by government and employers, and increased accountability to the public, at a cost of approximately $1 million per year, split equally between the province and Statistics Canada. In fact, the project has already secured funding for 2004-2005. The province of Manitoba is also seeking to add an Aboriginal identifier to its labour force survey.

8. Governments should fund locally-based non-profit support and outreach services that focus on Aboriginal labour recruitment and retention issues for small- and medium-sized organizations

While large companies may have the resources to develop workplace sensitivity programs, Aboriginal employment policies, mentoring programs and similar supports, smaller organizations are unlikely to have the internal skills or resources to create a similarly welcoming environment for Aboriginal employees. This is unfortunate for at least two reasons. First, small and medium sized enterprises (SMEs) and non-profit organizations are important and growing components of the employment market, and could benefit considerably if they were better able to attract and retain Aboriginal employees. Second, like many non-Aboriginal individuals, many Aboriginal individuals may favour working within smaller and medium sized organizations. In addition, small and medium-sized organizations may have a greater ability to provide entry level or training positions, and may be more willing to acknowledge the "life learnings" of Aboriginal people (in addition to educational and training requirements).

To help small and medium-sized organizations deal with Aboriginal labour recruitment and retention issues, governments should provide funding to locally-based non-profit support services. These services should be funded to provide not only support and resources to employers and employees who currently need assistance, but also to do outreach to potential and future employers. Indeed, a primary role of these services should be to do outreach by informing small and medium-sized organizations about the value of hiring Aboriginal employees, and about the human resource services available to employers and employees in small and medium-sized organizations. In addition, these groups should provide Aboriginal awareness services to potential employers and employees through, for example, workshops or employment policy manuals.

9. The federal and provincial governments should be open to training and employment partnerships with businesses working on or near reserves

The human capital disparities of Aboriginal people are particularly acute on-reserve. On-reserve populations have greater training and education needs and higher unemployment. One opportunity that exists is for private industries working on or near Aboriginal communities to partner with governments and Aboriginal community leaders to provide training and employment to Aboriginal people.

Many projects – such as temporary construction or resource development – only provide short-term employment to Aboriginal people. While these opportunities are often better than nothing, governments should work with private companies, Aboriginal communities and educators to assess and promote opportunities that will provide sustainable benefits to individual Aboriginal people and the larger Aboriginal community. Ideally, industry projects will allow the Aboriginal employees to develop transferable skills. At the same time, all partners should be sensitive to issues of supply and demand in a particular community. It is not in the best interest of a community to have too many individuals trained in a specific trades area, given that excess supply would lead to unnecessarily high levels of competition for work (Brunnen 2003b). Sustainable employment and development outcomes require proper consultation and planning.

The federal government has implemented initiatives that address these issues. The Aboriginal Human Resources Development Strategy (AHRDS), for instance, is locally delivered and emphasizes skill development to achieve sustainable employment. As well, Indian and Northern Affairs Canada (INAC), through the Aboriginal Workplace Participation Initiative (AWPI), plays an ongoing role in facilitating partnership initiatives. A primary role of the AWPI is to educate employers about the advantages of employing Aboriginal people. Some examples of provincial initiatives include Saskatchewan's Aboriginal Employment Development Program, Alberta Human Resource and Employment's First Nations Training-To-Employment Partnerships initiative and British Columbia's Native Economic Development Advisory Board (NEDAB).

10. The federal government should improve the availability of Aboriginal data

Aboriginal socio-economic data need to be collected and disseminated in a more timely and efficient manner. The Census and the Aboriginal Peoples Survey (APS) are administered every five and ten years respectively, and these data are not made publicly available until several years after collection. However, these data *can* be made available earlier upon request at a relatively high cost.

There are at least two problems with this. First, decision-makers are forced to make decisions with dated information – sometimes with Census data as old as eight years, and APS data as old as thirteen years. Second, charging high prices for Aboriginal data places information out of reach of smaller non-profit and outreach agencies that provide local services directly to clients.

Therefore, it is recommended that Statistics Canada improve the timeliness of its releases of Aboriginal data from the Census and the APS, and make these data publicly available *free of charge*. To facilitate these efforts, the federal government should ensure that Statistics Canada receives adequate financial resources. Additionally, and in light of the recent success of the Aboriginal Labour Force Survey in Alberta, the federal government should add Aboriginal identifiers to the more frequently administered Labour Force Survey, as this would provide invaluable information to those provinces with concentrated Aboriginal populations but limited financial resources. The federal government should also expand the Labour Force Survey to include on-reserve populations.

VI. Recommendations for Further Research

Throughout the *Aboriginal Human Capital Strategies Initiative*, it has become apparent that further research needs to be undertaken in a number of key policy areas, the resulting information would be of significant value to policy-makers, educators, non-profit organizations and others.

1. Research other labour force variables

Although age and education levels may provide a partial explanation for the employment and income differences among Aboriginal people, they cannot account for the differences in their entirety. It is therefore important to recognize that other variables exist. Factors such as economic and social conditions, the political and business climates and the type of employment positions available (e.g., seasonal and part-time employment or positions in highly volatile industries) may also influence outcomes.

Therefore, research should be undertaken to identify the kinds of employment positions (by industry and job type) that Aboriginal people are accessing, both on- and off- reserve, as well as potential causes for any limited employment opportunities. These may include the types of educational programs that Aboriginal people are accessing, activity in the criminal justice system, access to traditional lifestyles, and family responsibilities such as child rearing. As well, institutional barriers that preclude economic investment in reserve communities such as property rights, the political climate, and other factors that affect the return on investment should be investigated. Research in these areas would add further insight into the education and labour force realities facing Aboriginal people.

2. Research migration and mobility patterns, identifying K-12 education levels

Due to high migration rates and incomplete/inconsistent enumeration techniques, it is difficult to uncover the specific educational histories of Aboriginal people. Transitioning into urban areas can be a difficult adjustment, and re-establishing access to K-12 education services may prove challenging. Therefore, research should be undertaken to identify Aboriginal migration and mobility patterns, focusing on education levels at the time of migration. In doing so, comparisons can be made between the educational attainments of recent migrants and those of second and third generation urban Aboriginal residents. Among other benefits, this

information would be particularly useful in identifying whether and at what point Aboriginal youth have transitioned into urban areas, and what effect this has on education levels. This information would further assist policy-makers and education service providers in targeting educational programs to Aboriginal students prior to grade nine (the grade level at which Aboriginal students are most likely to have withdrawn from education).

VII. Conclusion

Since the future prosperity of all Canadians is connected to the ability of western Canada's Aboriginal population to access the labour force, Aboriginal Canadians must be provided with opportunities to gain the human capital needed to participate fully in the Canadian economy.

The recommendations contained in this report are directed specifically at governments to reflect Canada West's focus on public policy, and not because improving Aboriginal human capital outcomes is solely a government responsibility. Quite the contrary: to truly improve Aboriginal human capital outcomes there is a continued need for parents, educators, elders, business and community leaders, and the public at large to play a role. Indeed, successfully working towards parity requires that Canadians – Aboriginal and non-Aboriginal alike – embrace the fact that this policy area affects us all.

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Appendix: Population Estimates

2001 Population Estimates

	Aboriginal Identity	Non-Aboriginal
Manitoba	150,040 (13.6%)	953,655 (86.4%)
Saskatchewan	130,190 (13.5%)	832,960 (86.5%)
Alberta	156,220 (5.3%)	2,784,930 (94.7%)
British Columbia	170,025 (4.4%)	3,698,850 (95.6%)
The West	606,475 (6.8%)	8,270,395 (93.2%)
Canada	976,305 (3.3%)	28,662,725 (96.7%)

Source: Derived by CWF from Statistics Canada

Population Estimates Individuals 15 Years and Older

	On-Reserve Aboriginal		Off-Reserve Aboriginal		Non-Aboriginal	
	1996	2001	1996	2001	1996	2001
Manitoba	28,675	31,220	51,775	64,760	775,430	773,335
Saskatchewan	21,600	27,500	43,285	51,155	683,245	676,865
Alberta	17,765	22,665	59,800	79,855	1,977,450	2,219,495
British Columbia	28,680	32,350	66,175	85,685	2,859,850	3,042,540

Source: Derived by CWF from Statistics Canada

2001 Population Estimates Individuals 15 Years and Older Not Attending School

	Location	Manitoba	Sask.	Alberta	BC	The West	Canada
Aboriginal Population (N)		69,590	55,380	73,070	81,345	279,385	460,750
First Nations	*On-Reserve*	36.1%	36.0%	23.4%	29.1%	30.7%	29.9%
	Off-Reserve Urban	18.2%	21.4%	22.5%	32.9%	24.2%	24.9%
	On-Reserve Rural	5.2%	5.6%	6.5%	7.9%	6.4%	7.5%
Métis	*On-Reserve*	0.6%	2.3%	0.5%	0.4%	0.8%	0.8%
	Off-Reserve Urban	26.5%	21.0%	31.9%	20.4%	25.1%	20.6%
	On-Reserve Rural	11.9%	12.0%	12.2%	6.2%	10.3%	9.3%
Inuit and Other	*On-Reserve*	0.3%	0.5%	0.3%	0.9%	0.5%	0.6%
	Off-Reserve Urban	1.0%	1.0%	2.2%	1.8%	1.5%	2.7%
	On-Reserve Rural	0.2%	0.3%	0.4%	0.4%	0.3%	3.7%
Total		100%	100%	100%	100%	100%	100%
Non-Aboriginal Population (N)	All Locations	667,365	585,970	1,869,350	2,534,805	5,657,490	19,543,735

Source: Derived by CWF from Statistics Canada

IDEAS CHANGE THE WORLD

2004 has the potential to be a year of great change in Canada: there will be a federal election, the future of our cities is a hot topic, Canada-US relations are evolving, and the nature of our democracy is being debated.

As Canadians talk about these issues, it is critical that the aspirations, perspectives, and ideas of western Canadians are heard.

Through its Western Cities, Building the New West and West in Canada Projects, the **CANADA WEST FOUNDATION** is actively working to generate ideas for positive change and to make sure that the views of western Canadians are an integral part of the national debates during this time of change.

HOW CAN YOU HELP?

Without ideas – and an organized effort to get them heard – change will not happen. This is what the Canada West Foundation does. But, we can't do it without your support. If you want to ensure that western Canadian ideas are front and centre on the national stage, we invite you to become a FRIEND of the Canada West Foundation by making a donation. Please contact our Fund Development Officer Lison McCullough (403.264.9535 ext. 355 or toll free 1.888.825.5293 or mccullough@cwf.ca) for more information.

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